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CHARLES ELMORE GRIFFIN

IN THE

Supreme Court of the United States

OCTOBER TERM, 1947

No. 378

CALIFORNIA APPAREL CREATORS, a corporation, et al.,
Petitioners,

vs.

WIEDER OF CALIFORNIA, INC., CALIFORNIA SPORTSWEAR, INC.,
CORTLEY SHIRT COMPANY, INC.,
Respondents.

**BRIEF IN OPPOSITION TO PETITION FOR WRIT
OF CERTIORARI ON BEHALF OF CORTLEY SHIRT
COMPANY, INC., RESPONDENT**

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**BRIEF IN OPPOSITION TO PETITION FOR WRIT
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Statement

Petitioners seek the issuance of a writ of certiorari to review the decision and judgment of the United States Circuit Court of Appeals for the Second Circuit (C. C. A. fols. 395-417), affirming the judgment of the United States District Court for the Southern District of New York (D. C. fols. 25-32) and dismissing, in part, the appeal therefrom.

Proceedings Below

Petitioners, consisting of an incorporated trade association and seventy-five manufacturers of wearing apparel located in the State of California brought an action in the United States District Court for the Southern District of New York to enjoin the respondents from using the names "California" or "Californian" in any way in connection with their businesses and for an accounting and damages (D. C. fols. 128-131). Respondents are three manufacturers of wearing apparel incorporated and located in the State of New York and having no connection with each other. Respondent Cortley does not use any variant of the word "California" in its trade name but does use the word "Californian" as a brand name for a line of its sportswear. However, the term "Californian" when used on labels or tags affixed to respondent Cortley's sportswear has always been accompanied by a legend indicating not only the name of the manufacturer but also that Cortley is located in New York City (D. C. fols. 281-284, 287, 366, 367).

Respondents moved under Rule 56, F. R. C. P., for summary judgment dismissing the complaint and for declaratory relief (D. C. fols. 201-207, 214-222). The District Court denied the petitioners' motion for preliminary injunction and granted respondents' motions, reserving however for separate trial two issues involving alleged similarity of trade names between one petitioner, California Sportswear Company, and respondent, California Sportswear, Inc., and between the same petitioner and Cortley Shirt Company, as to any claim relating to a label once used by said respondent—but not the label mentioned in the complaint (D. C. fols. 25-32; D. C. Opinion, fols. 1096-1161).

On appeal from the judgment of the District Court the Circuit Court of Appeals for the Second Circuit affirmed the judgment of the District Court, dismissing that portion of the appeal relating to the two issues reserved by the

District Court for separate trial (C. C. A. fols. 395-417). It is this judgment which petitioners seek to review by petition for a writ of certiorari.

In view of the fact that petitioners claim that the decision below is in conflict with decisions of other Circuits it is necessary to recite the undisputed and controlling facts which emerged from the voluminous affidavits on the motion for summary judgment and to refer to the nature of petitioners' claim as alleged in their complaint. Comparison of the undisputed facts herein with those discussed in the cases relied on by petitioners clearly demonstrates that there is no conflict and that for this and other reasons hereinafter set forth certiorari should be denied.

Complaint

The gravamen of the complaint is that the seventy-five petitioners manufacture and distribute wearing apparel and accessories in California (D. C. fol. 81); that considerable sums of money have been spent in advertising California apparel (D. C. fols. 87-89, 92, 94, 95, 110); that their labels indicate the origin of such products as California, and that "plaintiffs by means of the care, skill, integrity, fidelity, styling and workmanship used by them in the manufacturing of their products, have acquired a great reputation with the retailers and purchasing public" for their wearing apparel and a great demand for their products (D. C. fols. 90, 91).

As to the respondent, Cortley, it is alleged that Cortley has sold and has offered for sale sportswear with the label which reads "Californian" above the legend "Sportswear by CORTLEY, New York" (see sample labels annexed to complaint, D. C. fol. 132); that such apparel was not actually manufactured in California; that the goods were so labeled to fraudulently procure trade from the purchasing public and to induce retailers and the buying public to be-

lieve that Cortley's apparel was in fact made and styled in California; and that Cortley's products "are inferior in quality, style and workmanship to the apparel manufactured within the State of California" (D. C. fols. 120-128). Whether this means inferior to the best or poorest quality goods made in California is not stated either in the complaint or in petitioners' affidavits.

Petitioners purport to sue not only in their own right but in behalf of "all other manufacturers of men's, women's and children's wearing apparel whose places of manufacture are located in the State of California" (D. C. fols. 81, 82). There is no allegation that any of the named plaintiffs is entitled to the exclusive use of the word "California" or "Californian" as among themselves or as to other California manufacturers not parties to this suit. On the contrary, implicit in the complaint is the claim that all manufacturers located in California may use these names in connection with their goods and that all outside that state are barred, under any circumstances, from using them (D. C. Opinion, fol. 1115).

Despite extravagant claims in the complaint for the superiority of California goods there is no allegation that there is any standard of quality to which California apparel manufacturers must or do conform.

There is no allegation as to the nature, volume, history or background of any particular petitioner's business or as to the manner in which any petitioner used the name or the relation to or effect on such business of the use of such name; or of any prior exclusive use of the names "California" or "Californian" by any or all of the petitioners; or of the length of time of the alleged extensive advertising of the various California-made products engaged in by any or all of the petitioners; or as to the period of alleged public demand for the products, either in the aggregate or as to any one petitioner or as to the contribution to the alleged "reputation" or the creation of the alleged "public demand" by any one or all of the named petitioners as against the contribution of California manufacturers not parties to the

suit; nor is there any specific allegation that there has been a diversion of sales from any one of the seventy-odd named petitioners or from any particular manufacturer in the State of California.

Affidavits Below

These omissions in the complaint are not supplied by petitioners' affidavits. The following facts in the answering affidavits of Cortley on motion for injunction (which were also the moving affidavits on motion for summary judgment) were not denied or disputed in the petitioners' reply or other affidavits filed during the pendency of the motions or elsewhere in the record. Moreover, the facts as below set forth, quoted *verbatim* from Cortley's answering brief in the Second Circuit Court of Appeals, were not disputed in petitioners' reply brief in that court.

"1. Cortley adopted 'Californian' as a brand and style name for men's and boys' sport apparel in February, 1938, and has used it ever since (D. C. fols. 286, 287).

2. Whenever the word 'Californian' is used on Cortley's label, or garment tags, it is accompanied by the words 'Sportswear by CORTLEY New York' or 'Sportswear by Cortley Shirt Co., N. Y.' (D. C. fol. 284; sample label and tag at fols. 281, 282). Similarly, on mailing labels, calling cards, salesman's advance cards, brochures, letterheads and envelopes used by Cortley there is printed the name of Cortley and its address, 12 West 27th Street, New York 1, New York (D. C. fols. 284, 287, 366, 367).

3. At the time of the adoption of this name by Cortley, manufacture and advertising of California made sportswear was negligible (D. C. fols. 285, 380, 381).

4. Most of the named plaintiffs were not in business, at least not under their present names, until after the adoption of the brand name 'Californian' by Cortley (D. C. fol. 318).

Plaintiff California Apparel Creators, Inc., a trade association, was not incorporated until a few months before this action was begun. It does not manufacture or distribute. The purpose of its organization, *inter alia*, was the propagandizing of California made apparel (D. C. fols. 333, 621-626).

5. The name 'California' has been frequently used by non-California manufacturers and, to the limited extent permitted by the statute, has been registered in the patent office by manufacturers outside of that State (D. C. fols. 293-296, 303-305, 437-440).

6. Many concerns in California use 'New York' to designate their business or products (D. C. fols. 297-299).

7. In the apparel trade geographical names (as is well known) are frequently used not to indicate place of manufacture but arbitrarily to associate the article with the type of garment used in or the climate of a locality, etc.; for example, Palm Beach suits, Paris garters, etc. (D. C. fols. 300, 301, 369, 370, 422-426).

8. Included among the many plaintiffs are manufacturers of such diverse articles as dresses, leather goods, photo supplies, neckwear, slippers and shoes, infants' and children's wear, jewelry, hats and caps, millinery and handbags (D. C. fols. 318, 319, 550, 551).

9. On the argument it was conceded, and so stated in the answering affidavits without denial in the reply affidavits, that there are as many as 4,500 apparel manufacturers located in the State of California in addition to the named plaintiffs (D. C. fol. 320).

10. There is no standardization of quality of the many products made by the seventy-odd named plaintiffs or by the many other California manufacturers in whose behalf plaintiffs claim to bring this suit (D. C. fols. 307, 389).

There is no square denial that some California manufacturers purchase their original designs and patterns at various model houses in the east, and mostly

in New York, and affix thereto labels with their California address; nor is it squarely denied that almost all fabric from which apparel is manufactured is manufactured in the east (D. C. fols. 428-435, 384, 385, 748-751).

11. Not a single affidavit by any member of the purchasing public was filed on either motion to show that any person had bought Cortley's goods in the belief that they were the goods of a California manufacturer or that Cortley's label was likely to deceive or cause confusion.

12. There was no affidavit or proof by plaintiffs of diversion of sales from any one or all of the plaintiffs or from any other particular California manufacturer; in fact, plaintiffs frequently assert that the demand for California-made apparel has been in excess of the ability of the California manufacturers to produce (D. C. fols. 597, 668)."

On these conceded and indisputable facts in the record as applied to the allegations of the complaint, and disregarding any dispute therein as to which party could properly claim "superiority" of goods or the larger public demand, etc., or other matters which are immaterial to the basic question presented, Cortley was, we respectfully submit, entitled to dismissal of the complaint as a matter of law, and hence summary judgment was properly granted.

Question of Law Sought To Be Reviewed

Thus the question of law decided by the Circuit Court of Appeals which petitioners seek to review by the issuance by this court of a writ of certiorari is, whether seventy-five named plaintiffs, manufacturers of diverse articles of wearing apparel, all having their places of business in California, claiming to sue in behalf of at least 4,500 additional manufacturers (none of whom intervened in this suit), can maintain a private so-called class suit to enjoin defendant Cortley, a New York manufacturer of men's sportswear from

using the brand or style name "Californian" accompanied by the legend "Sportswear by CORTLEY, New York", where, upon undisputed and conceded facts,

a) The names "California" or "Californian" do not connote a single source but rather as a minimum, according to petitioners' own theory, *all* wearing apparel manufacturers in the State of California;

b) There is no standardization of the many products made by the various petitioners;

c) Although four months elapsed during the pendency of the motions in the District Court during which petitioners presented voluminous affidavits, not a single affidavit was presented to show that in fact there had been or could be any diversion of sales from any one California manufacturer as a result of Cortley's label which clearly indicated its New York location.

POINT I

A writ of certiorari should not issue since the decision of the Second Circuit Court of Appeals is based on substantive principles of law well established by this court and recognized and followed by other courts.

It is not the function of a writ of certiorari to bring up for review by this court decisions based on long and well-established principles of law (see Rules of the Supreme Court of the United States, § 38 (5)). Contrary to petitioners' contentions (Petitioners' Brief, Points I, III), the decision of the Second Circuit in the instant case not only does not conflict with any decision of the Seventh Circuit (see Point II, *infra*) but is based on the following substantive principles of law which have been established by this court and recognized and followed by other courts.

A. Petitioners can have no monopoly in the geographic names "California" or "Californian".

It is of course well settled that a geographical name, indicative of the place of manufacture, cannot be granted a trade-mark monopoly.

Elgin National Watch Co. v. Illinois Watch Case Co.,
179 U. S. 665 (1900);

Columbia Mill Co. v. Alcorn, 150 U. S. 460 (1893);

Delaware & Hudson Canal Co. v. Clark, 80 U. S. 311,
13 Wall. 311 (1871).

B. The protection of a geographical name under the doctrine of "secondary meaning" is premised on the requirement that the name has come to signify origin from a single source.

Although a geographic name will be protected if it has acquired secondary significance, such protection is conditioned on the indispensable requisite that whatever is asserted to carry the secondary meaning has come to signify origin from a single and particular source.

Kellogg Co. v. National Biscuit Co., 305 U. S. 111,
118, 119 (1938), rehearing den. 305 U. S. 674
(1938);

Armstrong Paint & Varnish Works v. Nu-Enamel Corp., 305 U. S. 315, 335, 336 (1938);

Elgin National Watch Co. v. Illinois Watch-Case Co.,
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Charles Broadway Rouss, Inc. v. Winchester Co., 300
Fed. 706, 715 (C. C. A. 2d, 1924), cert. den. 266
U. S. 607 (1924);

Scandinavia Belting Co. v. Asbestos & Rubber Works of America, Inc., 257 Fed. 937, 942 (C. C. A. 2d,
1919), cert. den. 250 U. S. 644 (1919);

Crescent Tool Co. v. Kilborn & Bishop Co., 247 Fed.
299, 300 (C. C. A. 2d, 1917);

Skinner Mfg. Co. v. General Foods Sales Co., Inc.,
52 F. Supp. 432, 447 (D. C. Neb., 1943), aff'd 143
F. (2d) 895 (C. C. A. 8th, 1944), cert. den. 323 U. S.
766 (1944);

Restatement, Torts, Sec. 727, Comment (a), p. 588;
also *id.* Section 715, Comment (b), p. 544.

The rule is settled that

“Legally, the fundamental function of a trade-mark or trade name is to denominate or identify the goods, services or business of a single trader” (*Restatement*, Torts, *supra*, p. 588).

It is

“an absolute condition to any relief whatever that the plaintiff in such cases show that the appearance of his wares has in fact come to mean that some *particular person*—the plaintiff may not be individually known—makes them, and the public cares who does make them and not merely for their appearance and structure * * *” (*Crescent Tool Co. v. Kilborn & Bishop Co.*, *supra*, at p. 300). (Italics ours.)

Manifestly, in a case where upwards of 4,500 competing manufacturers make various lines of apparel and it is not only conceded but claimed by petitioners that each may and does use the same name to designate his goods to the public, then whether the name is coined, generic or geographical, it cannot denote a single source or be the exclusive property of any one or all of such manufacturers. The theory of the doctrine of secondary meaning is the protection of names which have become recognized by the public as the “commercial signature” or the “authentic seal” of a particular merchant. (See *Yale Electric Corporation v. Robertson*, 26 F. (2d) 972, 973, 974 (C. C. A. 2d, 1928).) Where the name is used in common by thousands of manufacturers who have no definite standard of quality, as denominating various types of goods, the name cannot indicate to the public the source, or guarantee the reputation or the quality of the goods of any manufacturer.

Petitioners' basic contention, as adequately summarized in the opinion of the District Court below, is that California manufacturers are entitled to the exclusive use of the names "California" or "Californian" to the exclusion of all other manufacturers (D. C. Opinion, fol. 1115). Indeed, petitioners in the District Court flatly advanced the broad claim, quoted by the District Judge from their brief in that court, that without regard to the circumstances, "of two users of a geographic term, the one located in that geographic area could restrain the other not located in that area" (D. C. Opinion, fol. 1127). The confusion as to the true nature and scope of "secondary meaning" which this contention reveals is also demonstrated in petitioners' complaint, affidavits and brief. Petitioners allege, in their complaint, that as a result of the advertising and other activities by the petitioners

" * * * the word 'California' has acquired a secondary meaning in the minds of the purchasing public to denote wearing apparel of fine styling, good workmanship, originality and color * * * " (D. C. fol. 95).

To acquire secondary significance the words must denote not the goods but the trader. A contention essentially identical to that propounded by the petitioners here was rejected by Justice Brandeis in *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111 (1938), who stated (at p. 118):

"But to establish a trade name in the term 'shredded wheat' the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is *not the product but the producer*. This it has not done." (Italics ours.)

To the same effect is *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315, 336 (1938).

Petitioners, in their affidavits, have also averred that the "word 'California' or 'Californian' means to the buying public merchandise, whether sportswear, tailored wear, accessories, or *other commodities* produced and manufactured in the State of California" (D. C. fol. 759). (Italics

ours.) Thus, boiled down, petitioners' claim to exclusive use of the name "California" is founded on the thesis that such protection is warranted because such name when affixed to wearing apparel denotes that such apparel originates from the geographical locality of California.

Petitioners erroneously fail to perceive the well-established essential distinction between the primary and secondary meaning of geographical names. When a name is used merely to denote that the product comes from a particular geographical locality, such name is being used in its primary and not secondary sense. It is only where a name has acquired a significance apart from this primary meaning as denoting the products of a particular producer, wherever he may be located, that the name can be said to have a secondary meaning and protected as such. *Kellogg case, supra*; *Skinner Mfg. Co. v. General Foods Sales Co., Inc.*, 52 F. Supp. 432 (D. C. Neb., 1943), *aff'd* 143 F. (2d) 895 (C. C. A. 8th, 1944), *cert. den.* 323 U. S. 766 (1944); see *Indian Territory Oil and Gas Co. v. Indian Territory Illuminating Oil Co.*, 95 F. (2d) 711, 713 (C. C. A. 10th, 1938), *cert. den.* 305 U. S. 607 (1938); *Derenberg, Trade Mark Protection and Unfair Trading*, pp. 326, 327 (1936).

To support petitioners' contention would so pervert the established doctrine of secondary meaning that it would abolish (1) the rule that there can be no monopoly in a geographic name (see paragraph A, *supra*) and (2) the rule that a trader although not in the geographical area may arbitrarily or fancifully adopt such a name as a trade mark or trade name for his goods (see *LaTouraine Coffee Co., Inc. v. Lorraine Coffee Co., Inc.*, 157 F. (2d) 115 (C. C. A. 2d, 1946), *cert. den.* 329 U. S. 771 (1946); *Gebbie v. Stitt*, 82 Hun 93 (N. Y. 1894), *app. dismissed*, 148 N. Y. 732 (1895).

C. Where single source of origin is absent, a private suit cannot be maintained on the ground of public deception.

This court has recognized and applied the well-established principle that where single source of origin is absent a private suit cannot be maintained on the ground of public de-

ception. The sole remedy in such cases lies with the Federal Trade Commission.

- New York & R. Cement Co. v. Coplay Cement Co.*,
44 Fed. 277 (C. C. E. D. Pa., 1890), rehearing den.
45 Fed. 212 (C. C. E. D. Pa., 1891);
American Washboard Co. v. Saginaw Mfg. Co., 103
Fed. 281 (C. C. A. 6th, 1900);
Ely-Norris Safe Co. v. Mosler Safe Co., 7 F. (2d)
603 (C. C. A. 2d, 1925);
Mosler Safe Co. v. Ely-Norris Safe Co., 273 U. S. 132
(1926);
Ely-Norris Safe Co. v. Mosler Safe Co., 62 F. (2d)
524 (C. C. A. 2d, 1933), cert. den. 289 U. S. 756
(1933);

See:

- Federal Trade Commission v. Klesner*, 280 U. S. 19,
25, 26 (1929);
Federal Trade Commission v. Algoma Lumber Co.,
291 U. S. 67, 79 (1933);
Hall v. Duart Sales Co., Ltd., 28 F. Supp. 838, 839,
840 (N. D. Ill., 1939);
Chafee, Unfair Competition, (1940) 53 Harvard Law
Rev., 1289, 1307-1321.

The Circuit Court of Appeals for the Second Circuit has properly relied on the principles established by these cases.

In the *Coplay Cement* case, *supra*, it was held that a suit to restrain the use of the name "Rosendale Cement" could not be maintained though such name was known to the public to mean cement made in Rosendale where it did not appear that the plaintiffs were the only persons making cement in that place and where defendant's factory was in another state.

Mr. Justice Bradley stated (p. 278) that to allow such a suit or one by dealers in genuine Dresden crockery or Irish linen against a merchant who sold goods under those names but not of that origin "would open a Pandora's box of vexatious litigation"; that although the legislature might

justly intervene to prevent impositions on the public, nevertheless, "if a person seeks to restrain others from using a particular trade-mark, trade name, or style of goods, he must show *that he has an exclusive ownership or property therein. To show that he has a mere right, in common with others, to use it, is insufficient*" (p. 279). (Italics ours.)

The doctrine of the *Coplay* case has been recognized and applied by this court in the case of *Mosler Safe Co. v. Ely-Norris Safe Co.*, 273 U. S. 132 (1936). The decision of this court in the *Mosler* case is controlling in this case and was thus properly followed by the Second Circuit Court of Appeals. In that case, plaintiff, a manufacturer of safes with an explosion chamber sought to enjoin a competitor from falsely representing to purchasers that the latter's safes contained explosion chambers, with the result that the public was led to purchase defendant's safes. In the District Court, Judge Augustus Hand dismissed the bill, stating:

"Such conduct might serve as a basis for a restraining order in a suit by the Federal Trade Commission. It does not follow, however, that a private person can secure an injunction by reason of mere misbranding where, as here, the defendant has never sold its goods as those of complainant" (Transcript of Record, fols. 39, 40).

On appeal to the Second Circuit Court of Appeals, Judge Learned Hand recognized the underlying principle of the *Coplay* case that where a number of manufacturers produce an article or articles, there is no exclusive property right residing in any or all of these manufacturers and, as a result, damage cannot be shown (*Coplay* case, *supra*, at p. 279). In discussing the *Coplay* case, Judge Hand pointed out that it did not appear that the plaintiffs were the only persons making cement in Rosendale. The result, according to Judge Hand, was that "There was no reason, therefore, to assume that a customer of the defendant, deceived as to the place of origin of defendant's cement, and desiring to buy only such cement, would have bought of the plaintiffs. It resulted that the plaintiffs did not show any

necessary loss of trade through defendant's fraud upon its own customer" (p. 603). Judge Hand stated that in such a case (where the plaintiff has no monopoly of the goods) the plaintiff "*though aggrieved in company with other honest traders cannot show any ascertainable loss. He may not recover at law and the equitable remedy is concurrent. The law does not allow him to sue as a vicarious avenger of the defendant's customers*" (p. 604).* (Italics ours.)

Having thus explained and affirmed the *Coplay* case, Judge Hand then proceeded to distinguish it from the case before him on the ground that the complaint in the *Mosler* case alleged a practical monopoly for the articles in question with the result that there was a necessary inference that all purchases from defendant by customers desiring explosion chamber safes were diversions of sales from the plaintiff. On this basis alone Judge Hand reversed the decree below.

This court granted certiorari because of an alleged conflict between the decision of the Second Circuit and the decision in *American Washboard Co. v. Saginaw Mfg. Co.*, *supra*.** This court, reversing, found it unnecessary to

* It is difficult to reconcile this statement to the effect that at law there could be no recovery because no plaintiff could show "any ascertainable loss" and that the "equitable remedy is concurrent" with Judge Hand's statement in the dissent below to the effect that although no action at law could be maintained by these plaintiffs because of inability to show "ascertainable loss", that injunction might issue on the speculative assumption that some one plaintiff might show loss. As Judge Clark pointed out below (C. C. A. Opinion, fol. 400) summary judgment is based on realities and cannot be denied merely on the basis of unrealistic speculative possibilities, particularly where under the doctrine of the *Mosler* case as applied to the theory of petitioners' own complaint none of the petitioners, as a matter of law, can be damaged.

** The *Coplay* case was pressed even further in the *American Washboard* case, wherein a distinguished bench consisting of Judges Day, Taft and Lurton, held that plaintiff, the sole manufacturer of washboards with aluminum rubbing surfaces could not enjoin defendant from falsely representing its washboards as aluminum, where plaintiff failed to show direct loss of customers or direct injury to itself. The alleged conflict of circuits revolved solely around the question of whether such an action could be maintained where plaintiff had a monopoly of the goods.

resolve the alleged conflict because, as Mr. Justice Holmes construed the complaint in the *Mosler* case (p. 134):

"It is consistent with every allegation in the bill and the defendant in argument asserted it to be a fact, that there are other safes with explosion chambers beside that for which plaintiff has a patent. The defendant is charged only with representing that its safes had 'an' explosion chamber, which, so far as appears, it had a perfect right to do if the representation was true. *If, on the other hand, the representation was false as it is alleged sometimes to have been, there is nothing to show that customers had they known the facts would have gone to the plaintiff rather than to other competitors in the market, or to lay a foundation for the claim for a loss of sales.*" (Italics ours.)

It is thus clear that implicit in the opinions of both the Circuit Court and this court was the recognition of the principle stated by Mr. Justice Bradley in the *Coplay* case that where a number of manufacturers make the article or articles, thus providing an open market, a private suit for injunction will not lie even where there has been misrepresentation or misbranding as to the source which results in injury to defrauded customers or the public. See *Handler, Unfair Competition*, (1936) 21 Iowa Law Rev. 175, 194.

The distinction between private litigation to establish an exclusive property right in a name and a proceeding by the Federal Trade Commission to prevent public deception was reiterated and clearly stated by Mr. Justice Brandeis in *Federal Trade Commission v. Klesner*, 280 U. S. 19, 25, 26 (1929) and by Mr. Justice Cardozo in *Federal Trade Commission v. Algoma Lumber Co.*, 291 U. S. 67, 79 (1933).

D. The requirement that the name must denote a single source cannot be evaded by the device of joinder or spurious class suit.

Petitioners, alleging broadly a demand for California wearing apparel generally, without regard to the product of any particular manufacturer, evidently recognize the im-

possibility of compliance with the requirement set down in the *Mosler* case of a legally demonstrable loss of trade by a particular manufacturer. They seek to overcome this obstacle by a "spurious" class suit (Rule 23 (a) (3) F. R. C. P.) which presumably it was thought would bind and inure to the benefit of every manufacturer of the various articles in question located in the State of California.

The difficulty cannot be met in this manner. The "spurious" class suit is merely a permissive joinder device which does not grant authority to adjudicate finally the rights of non-appearing parties or confer any additional substantive rights upon the plaintiffs suing. *Oppenheimer v. F. J. Young & Co., Inc.*, 144 F. (2d) 387 (C. C. A. 2d, 1944); 2 Moore's *Federal Practice*, 2235-2245, 2291; Note, (1946) 46 Columbia Law Rev. 818; cases cited in *Clark on Code Pleading*, 2d Ed. (1947), pp. 405, 407. No other California manufacturers except the original plaintiffs have intervened. If, as plaintiffs contend, there is a public demand for California-made apparel without regard to the particular manufacturer, quality, price and the other usual considerations of purchase, the patronage, instead of going to any of the named plaintiffs, might go to any one or more of the other 4,500 manufacturers not parties to this suit and who, as Mr. Justice Bradley stated in the *Coplay* case (*supra*, p. 279), "might with equal justice prosecute for the same profits". Thus the fatal defect in the cause of action found by this court to exist in the *Mosler* case exists in the instant case to even a greater degree.

POINT II

There is no conflict between the Second and Seventh Circuit Courts of Appeals on the substantive question of law involved in this case.

Petitioners base their petition for the issuance of a writ of certiorari on the alleged conflict between the decision of the Second Circuit in the instant case with decisions in the Seventh Circuit in the cases of *Pillsbury-Washburn Flour Mills Co., et al. v. Eagle*, 86 Fed. 608 (C. C. A. 7th, 1898), cert. den. 173 U. S. 703 (1899); *Harvey v. American Coal Co.*, 50 F. (2d) 832 (C. C. A. 7th, 1931), cert. den. 284 U. S. 669 (1931); and *Grand Rapids Furniture Co., et al. v. Grand Rapids Furniture Co.*, 127 F. (2d) 245 (C. C. A. 7th, 1942), cert. den. 321 U. S. 771 (1943). Not only did the Second Circuit follow, as controlling, legal principles established by this court (see Point I, *infra*) but these principles are not in conflict with decisions of the Seventh or any other Circuit.

In a few exceptional cases the doctrine of "single source" has been expanded to encompass the protection of certain geographical names where through some combination of circumstances such a name has come to connote in the public mind not a single producer, but a limited number of producers. These exceptions have been limited to cases where the particular desirability of the products bearing the name is inherent in the goods because of the peculiar natural attributes of the locality from which they are mined or where they are grown (*Harvey v. American Coal Co.*, *supra*) or where a limited group of producers in a particular region, using a peculiar patent or other special process, have produced a product of a single quality whose superiority is generally recognized and connected with the region. *Pillsbury-Washburn Flour Mills Co., et al. v. Eagle*, *supra*; *Grand Rapids Furniture Co., et al. v. Grand Rapids Furniture Co.*, *supra*; see Note, 150 A. L. R. 1067, 1092, 1093 (1944).

In the *Pillsbury* case the seven plaintiffs all manufactured flour in Minneapolis, jointly developed over thirty years, which flour, known as "Minneapolis Patent", resulted in the reputation for producing the finest hard spring wheat flour in the country. The wheat used by these mills was systematically inspected and graded by competent and disinterested persons appointed by the State of Minnesota for that purpose; comparison of mill products was made daily for over twelve years by submission to an expert by each mill of two pounds of its highest grade flour. The same systems, methods and machinery were employed by each member of the group. Defendant originally sold plaintiffs' processed flour but later substituted an inferior brand milled outside of Minnesota under the name "H. R. Eagle's Best Minnesota Patent, Minneapolis, Minnesota". Relief to plaintiffs was granted, the court holding that this small group of Minneapolis manufacturers, for practical purposes, operated as a single entity.

It is plain that this decision based as it was on the rigid standardization of one product by a small group, does not purport to encompass and cannot be stretched to support a "spurious" class suit relating to the diverse products of over 4,500 manufacturers, covering an entire state, where there is no possible claim of standardization as to any of the various kinds of products here involved. The *Pillsbury* case decided before the controlling *Mosler* case was cited to this court in the latter case in appellants' main (p. 33) and reply briefs (p. 2) but was not noticed in the opinion, probably because its holding was regarded as based on exceptional facts which did not justify application of the case to a different state of facts.

The *Harvey* case, *supra*, involved twenty-three plaintiffs who were producers of coal in the Pocohontas Valley region of Virginia and West Virginia. Because of qualities inherent in the soil of the Pocohontas region, the coal, known as "Pocohontas Coal", mined from this locality possesses qualities found in no other coal. In view of the fact that the standardized qualities of Pocohontas coal which made

it unique were imparted to it by the physical attributes of the locality, independent of the contributions or identity of the individual producers it was perhaps proper for the Seventh Circuit to treat the term "Pocohontas Coal" as connoting a "single source". This case, however, does not stand as precedent for any holding contrary to that of the Second Circuit in the instant case, since there is, of course, no uniform quality inherent in dresses or other wearing apparel merely because the manufacturer happens to be located in California.

Appellants also rely on the *Grand Rapids Furniture* case, *supra*. Neither the opinion nor the briefs in that case discuss the question here presented. In that case twenty-five plaintiffs, all manufacturers of furniture which conformed to uniformly high standards of quality and enjoyed many years of public approval, sought to enjoin the defendants from using the name "Grand Rapids Furniture Company". No affidavits were filed in support of or in opposition to the motion. The defendant moved to strike the complaint solely on jurisdictional grounds. The sole question discussed by the court in detail was whether in a class suit, the individual party plaintiffs could aggregate the value of their claims in order to satisfy the jurisdictional requirement. Neither the *Coplay* nor the *Mosler* cases were cited nor the principle here involved discussed in the briefs or by the court. The decision of the Second Circuit in the instant case cannot conceivably be viewed as in conflict "on the same matter" with a decision wherein the issues herein involved were neither raised nor discussed. (Rules of the United States Supreme Court, § 38 (5) (a).)

Whether the cases cited by the petitioners can be considered to have legal vitality in the face of the decision of this court in the *Mosler* case is extremely doubtful, but even if such vitality be conceded, *arguendo*, their limited holdings form no basis of conflict with the decision of the Circuit Court in the instant case.

Judge Clark, writing for the majority in this case, did not consider these cases to be in conflict with his decision.

but rather, properly treated them as *sui generis* exceptions to the well-established requirement of "single source" whose extension to encompass the instant case was required neither by logic nor law (C. C. A. Opinion, fols. 403, 404). As Judge Clark pointed out, the logic of the cases cited by petitioners, involving small identifiable groups of manufacturers, producing goods having a close and obvious connection with the locality either because of the qualities imparted to the goods by the locality or because of a standardization of quality imposed by and adhered to by all the producers in that locality, cannot be extended to cover a case involving a large unidentifiable group of manufacturers, encompassing an entire state, manufacturing diverse forms of apparel for both men and women from jewelry through under and outer garments, to hats, which goods have no apparent connection to the locality in which they are made and which concededly meet no fixed standard of quality or grading (C. C. A. Opinion, fol. 405).*

The difference in degree between the situation upon which petitioners' claim for protection in this case is based and the factual situation in the cases relied on by petitioners is obviously so great that no real basis for a claim of conflict exists. As Justice Holmes frequently reiterated, differences of law are often based on differences of degree. (Holmes, J., in *LeRoy Fibre Co. v. Chicago, Milwaukee & St. Paul Railway Co.*, 232 U. S. 340, 354 (1913); *Haddock v. Haddock*, 201 U. S. 562, 631 (1905).)

* This distinction between small identifiable groups and large amorphous groups has been recognized in the law of libel (in some respects cognate to unfair competition), where as an exception to the general rule that the libel must refer to an identifiable person, the courts have permitted the action to be maintained where the libel referred to a small identifiable group. Note, (1947) 47 Columbia Law Review, 598, 599. However, this exception was not extended to cover a case where it was charged that the libel related to citizens of the entire State of California. See *American Civil Liberties Union v. Kiehl*, 40 F. (2d) 451 (C. C. A. 2d, 1930).

POINT III

Even if there is a conflict of Circuits on the substantive law of unfair competition, such conflict cannot be resolved by this court since under the doctrine of *Erie v. Tompkins* local law governs unfair competition.

This case involves solely a question of common law unfair competition. In *Pecheur Lozenge Co., Inc. v. National Candy Co., Inc.*, 315 U. S. 666 (1941), this court held that under the doctrine of *Erie Railroad Company v. Tompkins*, 304 U. S. 64 (1937), questions of unfair competition were governed by the local law of the states. (To the same effect is *Addressograph-Multigraph Corp. v. American Expansion Bolt & Mfg. Co.*, 124 F. (2d) 706 (C. C. A. 7th, 1941), cert. den. 316 U. S. 683 (1942).) Since local law, rather than federal law, governs substantive questions in the field of unfair competition it is inaccurate to refer to divergent Circuit Court opinions in this field as involving conflicts in federal law.

The Second Circuit Court of Appeals recognized the applicability of the *Pecheur* doctrine to the instant case and utilized federal precedent only as a guide to state law, stating, "While 'most of the issues in this case involved questions of common law', we feel we should say, with Justice Brandeis in a similar situation, *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, 113, n. 1: 'but no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedent'" (C. C. A. Opinion, fol. 402, n. 5). It should also be noted that in the *Grand Rapids Furniture Co.* case (the only case cited by petitioners decided subsequent to *Erie v. Tompkins*), there was precedent in the local law of the State of Michigan for the action taken although not cited or discussed. See *Furniture Manufacturers Ass'n of Grand Rapids v. Grand Rapids Guild of Exhibitors*, 268 Mich. 685 (1934). Thus,

even if it were conceded that the holding of the Second Circuit in the instant case conflicts with the decision of the Seventh Circuit in the *Grand Rapids* case, this conflict can be properly viewed as merely a conflict between the state courts of New York and Michigan, a conflict which this court has no duty or authority to resolve.

Even if it be conceded, *arguendo*, that the decisions of the Second Circuit in the instant case and of the Seventh Circuit in the cases cited by petitioners are conflicting applications of federal law, a decision by this court would not resolve that conflict for future cases. Since, in future litigation involving the matters here presented the Circuit Courts, under the doctrine of the *Pecheur* case, are required to follow local law, no decision by this court contrary to local law would be binding either on the state courts or the Circuit Courts. See *Addressograph-Multigraph Corp. v. American Expansion Bolt & Mfg. Co.*, *supra*.

As was stated by this court in *Ruhlin v. New York Life Ins. Co.*, 304 U. S. 202, 206 (1937):

"As to questions controlled by state law, however, conflict among circuits is not of itself a reason for granting a writ of certiorari. The conflict may be merely corollary to a permissible difference of opinion in the state courts * * *."

No decision at the present time could reconcile any 'conflict of circuits' or do more than enunciate a tentative rule to guide particular federal courts. Therefore, even assuming that it is adequately presented on the record, we decline to decide the issue of state law."*

*The only reason that the writ of certiorari issued in the *Ruhlin* case was not dismissed as improvidently granted was because "the question in the case was regarded below, both by courts and by counsel [prior to the decision in *Erie v. Tompkins*] as one of 'general' or 'federal law'" (pp. 206, 207). In the instant case, Judge Clark clearly regarded local law as controlling but since neither party claimed that the local law in any way differed from federal precedent, he looked to federal cases merely as guides to the local law (C. C. A. Opinion, fol. 402, n. 5).

POINT IV

The Circuit Court's decision does not conflict with any other Circuit Court or this court as to the proper application of Rule 56 F. R. C. P.

Petitioners' contention that the views of the Circuit Court in this case as to the proper application of the summary judgment rule conflict with its own prior decisions, and decisions in this court and other circuits is, like Don Quixote's tilts with windmills, an attempt to find dispute where none in reality exists. It would serve no purpose to review in detail the Circuit and Supreme Court decisions cited by petitioners which are allegedly in conflict with the views of the Second Circuit in the instant case. Suffice it to say that all these cases merely stand for the proposition that it is erroneous to grant summary judgment where there is a genuine dispute as to material facts. This proposition was not denied by the Second Circuit in this case. Respondent, in its briefs and arguments below, took the position, which it maintains, that as matter of law, on the undisputed facts, petitioners have no case.

The cases cited by petitioners, and the decision of the Circuit Court below, all affirm the proposition that where there is no genuine dispute as to any material facts and where on the basis of the conceded facts one party is entitled to judgment as a matter of law, the granting of summary judgment is not only proper but called for. (See *e.g.* *Associated Press v. U. S.*, 326 U. S. 1, 16 (1944); *Toebeleman v. Missouri-Kansas Pipe Line Co.*, 130 F. (2d) 1016, 1018 (C. C. A. 3d, 1942); *Whitaker v. Coleman*, 115 F. (2d) 305, 306 (C. C. A. 5th, 1940); *M. Snower & Co. v. U. S.*, 140 F. (2d) 367, 369 (C. C. A. 7th, 1944); *Engl v. Aetna Life Ins. Co.*, 139 F. (2d) 469, 472, 473 (C. C. A. 2d, 1943); *Bushwick-Decatur Motors v. Ford Motor Co.*, 116 F. (2d) 675, 679 (C. C. A. 2d, 1940); *Fletcher v. Evening Star Newspaper Co.*, 133 F. (2d) 395 (App. D. C., 1942), cert. den. 319 U. S. 755 (1943); 3 Moore, *Federal Practice* 3175 (1938).)

Petitioners, in their petition and brief, enumerate the allegedly "disputed facts". These "facts" are in substance whether "California" or "Californian", as used by these 75 petitioners in common with several thousand other California manufacturers, possess secondary significance; whether respondent's practices are deceptive; and whether petitioners have suffered loss by reason of such practices. These are false issues since, on the basis of conceded facts, petitioners, *as a matter of law*, have no exclusive property right in and cannot show any secondary meaning in the names "California" or "Californian" (Point I B, *supra*), and since, *as a matter of law*, the requirement of "single source" as expounded in the *Mosler* case, and the established substantive law on which the doctrine of that case is founded, is absent. It follows that petitioners cannot show any "ascertainable loss" (L. Hand., J., in *Mosler* case, *supra*, at p. 603) and hence petitioners have no case, whatever collateral factual disputes appear on the record.

Indeed, under the theory of the *Mosler* case, judgment of dismissal on bill and answer without any affidavits would have been proper in this case. This was the procedure under which the bill was dismissed by this court in the *Mosler* case.

The alleged dispute as to whether respondent's label did or is likely to deceive the public is legally immaterial in the absence of any property right in the petitioners in the names involved. In *Fashion Originators' Guild v. F. T. C.*, 312 U. S. 457 (1940), *aff'g* 114 F. (2d) 80 (C. C. A. 2d, 1940), a similar group of manufacturers, producers of dress and textile patterns claimed to be of "original and distinctive" design, sought to stop alleged "style piracy". Both this court and the Circuit Court held that in the absence of copyright or patent protection no exclusive right to the designs resided in the plaintiffs and hence the question of whether or not "piracy" existed, while presenting a question of ethics for legislative consideration, was legally insignificant. (See also, *Cheney Bros. v. Doris Silk Corp.*, 35 F. (2d) 279 (C. C. A. 2d, 1929), *cert. den.* 281 U. S. 728 (1930).)

In connection with petitioners' charge of "piracy" * it is significant to note that during the many months that this action was pending before the District Court, petitioners did not cite a single instance of deception of any retailer (who of course knows the source of his vendors' goods) or of any member of the public by Cortley's label or any likelihood thereof. The absence of proof can be accounted for by the fact that deception was impossible since whenever the brand name "Cortley" was used by respondent, it was always qualified by a legend indicating the place of origin to be New York, a practice approved by both this court and the Federal Trade Commission. (See *Jacob Siegel v. F. T. C.*, 90 L. Ed. 697 (U. S. 1945); *Canadian Ale* case, F. T. C. Release, week ended April 13, 1946; Modified Order No. 4572, April 9, 1946; 3 C. C. H. Trade Reg. ¶ 13,337.)

Petitioners argue that summary judgment should not be granted in unfair competition actions. The learned judge writing the dissenting opinion below appears to give some support to this view and in this respect refers to actions under Anti-Trust Acts as analogous. However, this court in *Associated Press v. U. S.*, 326 U. S. 1 (1944), a suit for injunction under the Anti-Trust Laws, approved the granting of summary judgment, affirming the decision of Judge Learned Hand below (52 F. Supp. 362 (S. D. N. Y., 1943)). There is nothing in Rule 56 F. R. C. P. restricting summary judgment to certain types of actions (3 Moore, *Federal Practice*, p. 3177). The wide range of cases in which this and other courts have approved the granting of summary judgment is illustrated by the following cases:

National Broadcasting Co., Inc. v. U. S., 319 U. S. 190 (1942) (Validity of Chain Broadcasting Regulations);

* Although the Federal Trade Commission investigated Cortley's label and advertising, presumably on complaint of petitioner, California Sportswear Company, before this suit, no complaint by the Commission issued (D. C. fols. 840-842).

Melcor Steel Co. v. George A. Fuller Co., 316 U. S. 143 (1941) (Patent Infringement);
Fidelity & Deposit Co. of Maryland v. U. S., 187 U. S. 315 (1902) (Action on a Bond);
 See cases cited in Clark, *Summary Judgments, A Proposed Rule of Court*, 2 F. R. D. 364, 367.

Of course, where there is a substantial issue of material fact to be tried it should be tried in any type of case. But if stripped of extraneous matter there is no real issue on a material question of fact, summary judgment should be awarded. The timid judge who puts off the decision to a later trial where there is only a question of law to decide governed by a controlling precedent of this court, because confused by immaterial averments, fails in his clear duty—clogs calendars at the expense of litigants who are compelled to engage in useless and costly preparation involving the taking of depositions on immaterial matters, perhaps all over the country (as was threatened in this case, D. C. fols. 887, 888), and to suffer needless delays. It was these evils that the remedy of summary judgment was designed to cure and the remedy was especially appropriate to this case.

POINT V

This case does not present a federal question. Moreover, the questions here presented have been made moot by the new trade mark law (Lanham Act).

A. The law of unfair competition is governed by local law.

Petitioners contend that the substantive questions of law involved in this case have never been decided by this court. If any questions of federal law are involved, those questions have been decided by this court in the *Mosler* and other cases cited in Point I of this brief. However, as previously discussed (Point II), under the doctrine of

Erie v. Tompkins, as applied to the field of unfair competition by *Pecheur Lozenge Co., Inc. v. National Candy Co., Inc.*, 315 U. S. 666 (1941), the substantive questions of law here involved are governed by the local law of the states rather than by any general federal law.

B. All future questions of the nature presented herein will be governed by the Lanham Act, and as a result, the decision in this case as a precedent is moot.

Petitioners allude to the recently enacted Lanham Act (Public Law 489, Chap. 540; 15 U. S. C. A., §§ 1051 et seq.) in support of their contention that an important federal question is involved in this case. As petitioners properly concede, the Lanham Act has no retroactive application to the instant case (Petitioners' Brief, p. 18). The impact of that statute on the doctrine of *Erie v. Tompkins* and on the substantive rights of parties in the position of petitioners awaits elucidation by this court in appropriate cases arising under the Act in the future. If, as petitioners contend, the Act gives to persons in the status of petitioners suing as a group in a class action a civil cause of action in the situation presented by this case, then the Act operates to change the existing common law. The testimony before the Committee on Patents, prior to the passage of the Lanham Act, indicates the general understanding that regional marks, could not, prior to the effective date of the Act, be protected by civil action and that the only remedy for misuse thereof is through the Federal Trade Commission. Committee on Patents, Subcommittee on Trade-Marks, 75th Cong., 3rd Sess. on H. R. 9041 (1941), at pp. 44, 194.

If it be conceded, in accord with petitioners' contentions, that the Lanham Act through its provisions for regional marks (15 U. S. C. A. § 1054) and civil actions for misrepresentation of origin (15 U. S. C. A. § 1125) provides persons in the position of the petitioners with the remedies heretofore denied by the common law, this fact only

demonstrates that the issues involved in this case have become moot as far as future litigation is concerned and of interest solely to the instant parties. (See *District of Columbia v. Sweeney*, 310 U. S. 631 (1939).) The fact that a litigation may have received considerable trade publicity for advertising or other purposes (D. C. fols. 333, 334) or the fact that this discussion may prove of interest in trade discussions or that an attorney-general files a brief affirming the superiority of products made in his state (instead of seeking redress of the F.T.C. created to protect against public injury) does not give that issue in a private litigation the public interest contemplated as requisite for the issue of a writ of certiorari. Boskey, *Mechanics of Supreme Court Certiorari Jurisdiction*, (1946) 46 *Columbia Law Review* 255, 256. As has been frequently reiterated, the writ of certiorari is designed to enable the Supreme Court to settle principles of law when decision of such questions is of importance to the public as distinguished from the parties. This jurisdiction was not conferred merely to settle private disputes or to give the party defeated below another hearing. *Layne & Bowler Corp. v. Western Well Works*, 261 U. S. 387, 393 (1922); Robertson and Kirkham, *Jurisdiction of the Supreme Court of the United States* (1936) 282.

CONCLUSION

The extent of the petitioners' claims in the instant case are symptomatic of the recent attempts to pervert the law of unfair competition into a tool for the fostering of monopoly and restriction of desirable competition. See Zlinkoff, *Monopoly v. Competition: Significant Trends in Patent, Anti-Trust, Trademark, and Unfair Competition Suits*, (1944) 53 *Yale L. J.* 514; Borchardt, *Are Trade-Marks an Anti-Trust Problem?*, (1943) 31 *Georgetown L. J.* 245. It has only been through the unceasing vigilance of this and

other courts that this attempt has not as yet succeeded, at least not as the result of decisions by the courts. See *Zlinkoff*, *supra*, at pp. 531-536; *Fashion Originators' Guild v. F.T.C.*, 312 U. S. 457 (1940); *Eastern Wine Corp. v. Winslow Warren Ltd.*, 137 F. (2d) 955, 957-959 (C. C. A. 2d, 1943), cert. den. 320 U. S. 578 (1943).

Petitioners seek to obtain their name monopoly not only by wholesale changes in the well-established principles of the law of unfair competition (Point I, *supra*) but in the whole field of business practices.* The learned dissenting Judge below properly described unfair competition actions as complex. They involve as between a single plaintiff and defendant such issues as single source, prior use, and other matters usually relevant in unfair competition cases. In this case, petitioners, representing a powerful trade association striving for a name monopoly, seek to force a New York manufacturer into the considerable expense of a trial conceivably involving multitudinous issues on immaterial matters relating to the affairs and name usage of not one but seventy-five plaintiffs (and thousands of other manufacturers who can conceivably intervene). Where on well-settled principles it is plain that the action cannot be maintained and where trial of false and immaterial issues requiring burdensome expense could readily "break" a selected small defendant manufacturer, "the action is of precisely the sort which a motion for summary judgment was intended to nip in the bud" (Judge Learned Hand in *United States v. Bausch and Lomb Optical Co.*, 131 F. (2d) 545 (C. C. A. 2d, 1942), *aff'd* 320 U. S. 711 (1943)).

* As was stated by Judge Clark in the opinion below, "The extent of the change in business practice which a plaintiffs' judgment might forecast may be suggested by an examination of any city directory showing the widely prevalent usage of state and city names by business houses. Thus, the New York City telephone directory has seemingly countless such cases, including 40 or more involving California" (C. C. A. Opinion, fol. 399).

Wherefore, respondent, Cortley Shirt Company, Inc., respectfully prays that the Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit be denied.

Respectfully submitted,

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